

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2135

January 4, 2012

SUMMARY OF BILL: Creates the “Equal Opportunity Scholarship Program” for K-12 students beginning in the 2012-2013 academic year. Defines a scholarship eligible student as one who resides in a Tennessee school district located in a county with a population of 335,000, or more, or is currently enrolled in the Achievement School District; was a member of a household with a total annual income during the year prior to the receipt of a scholarship that qualified or would have qualified the student as a low-income student; is a sibling or half-sibling of an otherwise eligible student; was eligible to attend a public school in the semester preceding the one in which the student receives a scholarship; received a scholarship in the preceding semester; or is starting school in Tennessee for the first time. Students receiving scholarships may either attend a different public school within the same local education agency (LEA) or a nonpublic school. Requires a participating nonpublic school to notify the state Department of Education (DOE) of its intention to accept scholarship eligible students. The total scholarship amount shall be the lesser of 50 percent of the Basic Education Program (BEP) per pupil expenditure that the student’s resident LEA would have allocated from state and local resources for participating students or the participating school’s annual cost per pupil, including operational and capital facility costs. Participating nonpublic schools shall administer an achievement test similar to the Tennessee Comprehensive Assessment Program in grades three through eight and appropriate end-of-course tests to students who receive scholarships. LEAs are not required to provide transportation to participating students. The DOE shall make eligible students and their parents aware of scholarship availability and distribute a standard application form by July 15 each year. The State Board of Education (SBOE) shall promulgate rules and regulations regarding eligibility and participation of nonpublic schools, allocation of funds to eligible students, and scholarship applications procedures.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Net Impact – Not Significant

Assumptions:

- Students currently attending public school in the Davidson County, Hamilton County, Knox County, Shelby County, and Memphis City LEAs will be eligible to participate.
- The scholarship amount will be limited to 50 percent of the total BEP amount that is spent on each student. This amount will change annually depending on the LEA fiscal capacity and the LEA average daily membership (ADM).

- Fifty percent of the BEP per pupil funding will shift to a nonpublic school of an eligible student's choosing. The remaining 50 percent of the BEP per pupil amount not used for scholarships will be retained by the resident LEA.
- LEAs will make up half of the transfer of funds through retention of BEP funding and half through annual LEA adjustments. The net impact on local expenditures from the transfer of funds will be not significant.
- No increase in state expenditures for administration of the scholarship program.
- Any increase in expenditures for additional testing will be borne by the participating school.
- Any increase in state or local expenditures to notify students of this program will not be significant.
- LEAs are not required to provide transportation; therefore, there will not be an increase in state or local expenditures for this purpose.
- All participating students will be counted in their resident school district for the purposes of ADM.
- The SBOE will promulgate rules and regulations in the normal course of business without an increase in personnel or a reduction in other budget items.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', written in a cursive style.

Lucian D. Geise, Executive Director

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